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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

LEHMAN BROTHERS HOLDINGS INC., *et al.*,

Debtors.

Chapter 11

Case No. 08-13555 (JMP)

(Jointly Administered)

**LIMITED OBJECTION OF PB CAPITAL CORPORATION TO THE MOTION
OF LEHMAN BROTHERS HOLDINGS INC., PURSUANT TO SECTION 105(a) OF
THE BANKRUPTCY CODE AND BANKRUPTCY RULE 7004(a)(1), TO EXTEND
STAY OF AVOIDANCE ACTIONS AND GRANT CERTAIN RELATED RELIEF**

PB Capital Corporation (“PB Capital”) hereby files this limited objection (the “Limited Objection”) to the Motion of Lehman Brothers Holdings Inc., Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 7004(a)(1), to Extend Stay of Avoidance Actions and Grant Certain Related Relief, dated January 10, 2014 (the “Motion”) (Docket No. 42023). In support of this Limited Objection, PB Capital avers as follows:

1. PB Capital Corporation is a defendant in the adversary proceeding *Lehman Brothers Special Financing Inc. v. Bank of America National Association, et al.* (Adv. Pro. No. 10-03547) (the “Distributed Action,” as such term is defined in the Motion).¹ PB Capital takes

¹ Capitalized terms not defined herein shall have the meanings set forth in the Motion.

no position on the extension of the Stay to May 20, 2014 or the extension of the deadline to effect service on other defendants in the SPV Avoidance Actions.

2. However, the Motion proposes certain Protocols for the litigation of the SPV Avoidance Actions, including a division of the litigation into three discrete stages. The Debtors developed the Protocols without the knowledge or participation of PB Capital or, to its knowledge, the other defendants in the SPV Avoidance Actions (collectively, the “Defendants”) and are now seeking the Court’s approval of those Protocols, with very little notice, and without giving the Defendants essential details regarding how the SPV Avoidance Actions will actually be administered or adequate opportunity to thoroughly review the Protocols and, if need be, voice their comments or objections.

3. At this juncture, it is not at all clear that the Protocols proposed by the Debtors are the most efficient, fair or even permissible means of proceeding with the SPV Avoidance Actions. For instance, the Debtors have provided no justification for the certification of a defendant class or any basis for allowing discovery and/or dispositive motions on the merits only at the tail-end of the litigation.

4. The Court should not enter an order approving the Protocols until the Debtors have provided the Defendants with further details regarding their intent as to how the litigation of the SPV Avoidance Actions will be conducted, and certainly not before the Defendants have had ample opportunity to review such proposals and make their concerns known to the Debtors and this Court. Moreover, the Debtors should be required to work with the Defendants to negotiate a consensual litigation schedule before presenting a comprehensive plan to the Court.

5. PB Capital hereby joins with those objections that have been filed on similar bases in respect of the Motion.

6. Nothing in this Limited Objection is intended to waive any right PB Capital may have to assert additional objections to any relief sought in the Motion. PB Capital hereby reserves the right to assert additional objections in the future.

WHEREFORE, for the reasons stated above, PB Capital respectfully requests that the Court, notwithstanding any order approving the extension of the Stay, deny the approval of the Protocols.

Dated: New York, New York
January 22, 2014

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